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HOUSE BILL 1991

By Kisber

AN ACT to amend Tennessee Code Annotated, Title 9, to clarify the appropriation of funds to certain debt issuers for debt service payments. This Act makes appropriations for debt service obligations for an indefinite period of time.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

Section 1. Tennessee Code Annotated, Section 9-9-103 is hereby amended by adding the following language at the end of the section:

There is hereby appropriated to the state funding board on a direct and continuing basis a sum sufficient for payment of debt service (principal, interest and premium, if any) on outstanding bonds and other debt obligations (including notes), amounts due on contracts or agreements authorized under this chapter, and necessary related expenses. The state funding board is authorized to make debt service payments on outstanding bonds and other debt obligations (including notes), and make payments due under contracts and agreements authorized under this chapter, and necessary related expenses, as provided in this section from any funds held in the state treasury not otherwise legally restricted, independent of an appropriation bill as contemplated by Title 9, chapter 4, part 51.

Section 2. Tennessee Code Annotated, Title 9, is amended by adding the following new section:

Section 9-4-5107. By authorizing the issuance of debt that is not a liability of the state and the payment of debt service thereon by the state school bond authority in title 49, by the local development authority in title 4, by the housing development agency in title 13, and by the state veterans' homes board in title 58,

(a) the General Assembly intended that such authorizations constitute:

(1) with respect to each debt issuer listed above, a direct and continuing appropriation to that debt issuer of its earnings, revenues or other assets for expenditures authorized by or pursuant to the respective enabling legislation and the authority to expend those funds in accordance with or pursuant to such legislation; and

(2) with respect to any public higher education entity whose contracts or agreements with the state school bond authority support the payment of such debt issuer's debt service, a direct and continuing appropriation to that entity of its earnings, revenues or other assets pledged or governed by such contracts or agreements and the authority to expend those funds in accordance with or pursuant to the respective contracts or agreements; and

(b) such funds are hereby appropriated on a direct and continuing basis to each debt issuer listed above and to each public higher education entity described above for such purposes.

Section 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end, the provision of this act are declared severable.

Section 4. This act shall take effect upon becoming law, the public welfare requiring it.